GHOSTERY

FCC Introduction
April 25, 2016

Agenda

- Ghostery Introduction
- Consumer perspectives on data collection
- Our thoughts on the FCC Proposed Rulemaking
  - Informed Consent vs. Opt-In/Opt-Out
  - Network-level Informed Consent

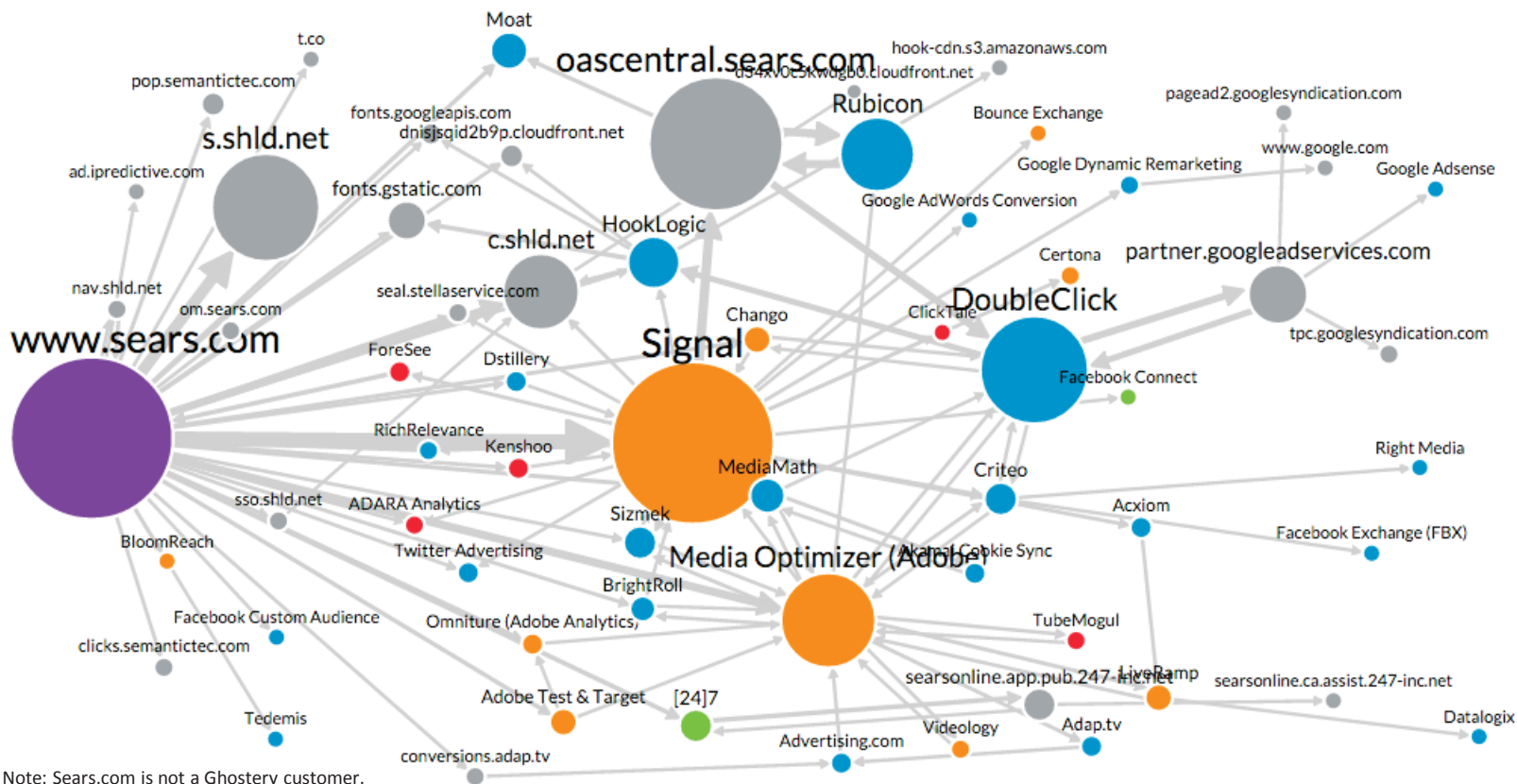# Millions Of Consumers Rely On Ghostery To Control How They Are Tracked Online

Businesses Rely On Ghostery To Optimize The Digital User Experience, Driving Revenues And Profits

Ghostery Tracker Map™

Note: Sears.com is not a Ghostery customer.

The Problem: "Frankenstack" Ruins Consumer Experience, Losing Billions in Online Revenue

Marketing Technology "Frankenstack"	+	No Optimization Platform	=	Poor Online Experience	+	Lost Revenues & Higher Costs

Marketing Technology "Frankenstack"

✖ Number of marketing technology companies doubled in 2015.[1]

✖ Complexity increasing with growth of mobile and IoT

No Optimization Platform

PERFORMANCE   GOVERNANCE

SECURITY   PRIVACY

Poor Online Experience

Consumer frustration and mistrust from a miserable digital experience

Lost Revenues & Higher Costs

Billions of dollars of **lost revenue** and **increased costs**

✖ **Slow pages killing commerce and ad revenues**[2,3]

✖ **Data loss**

✖ **Security threats**[4]

✖ **Privacy compliance risks**[5]

Source: (1) ChiefMarTec.com. (2) Amazon internal study 2013. (3) Radware internal study 2014. (4) Ponemon Institute & Ghostery Mixed Content Warnings Study – September 2014. (5) European Global Data Protection Regulation.

Ghostery Overview

Founded in 2009, Ghostery empowers consumers and businesses to **create safer, faster, and more trusted digital experiences**

SECURITY   GOVERNANCE   PERFORMANCE   PRIVACY

MCM   Ghostery Plug-In   App Choices

App Notice   Site Notice   Ad Choices

Ghostery Business Model Overview

Proprietary Data

Real user data from millions of global opt-in contributors

Library of 2,000+ Marketing Technology Vendors globally. Curated and regularly updated

Ghostery Proprietary Database

Patented web analytics technology and IP portfolio

Business Solutions

4.8 billion tag loads analyzed across 87 million pages weekly

Compliance technology powering 3+ billion ads daily for 300+ clients in 40 languages. Opt-out lab powers enforcement of Ad Choices program

Market Share Leader in Privacy Compliance Across All Devices

Behaviorally-Targeted Ads Bought & Sold Across Desktop, Mobile Web and In-App

Compliance for Data Collection on Sites and Apps
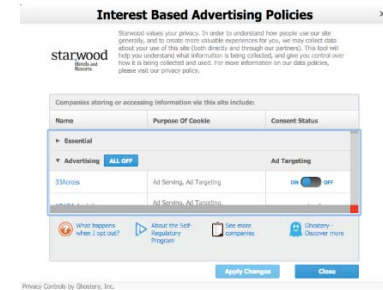
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Privacy **isn't the only reason** for blocking – 17.45% of consumers cite privacy as the main reason

Source: Ghostery Extension Install Survey July/Aug 2015 9,194 responses

Nearly 20% of Ghostery users believe their page load time is impacted by **too much tracking on a site**

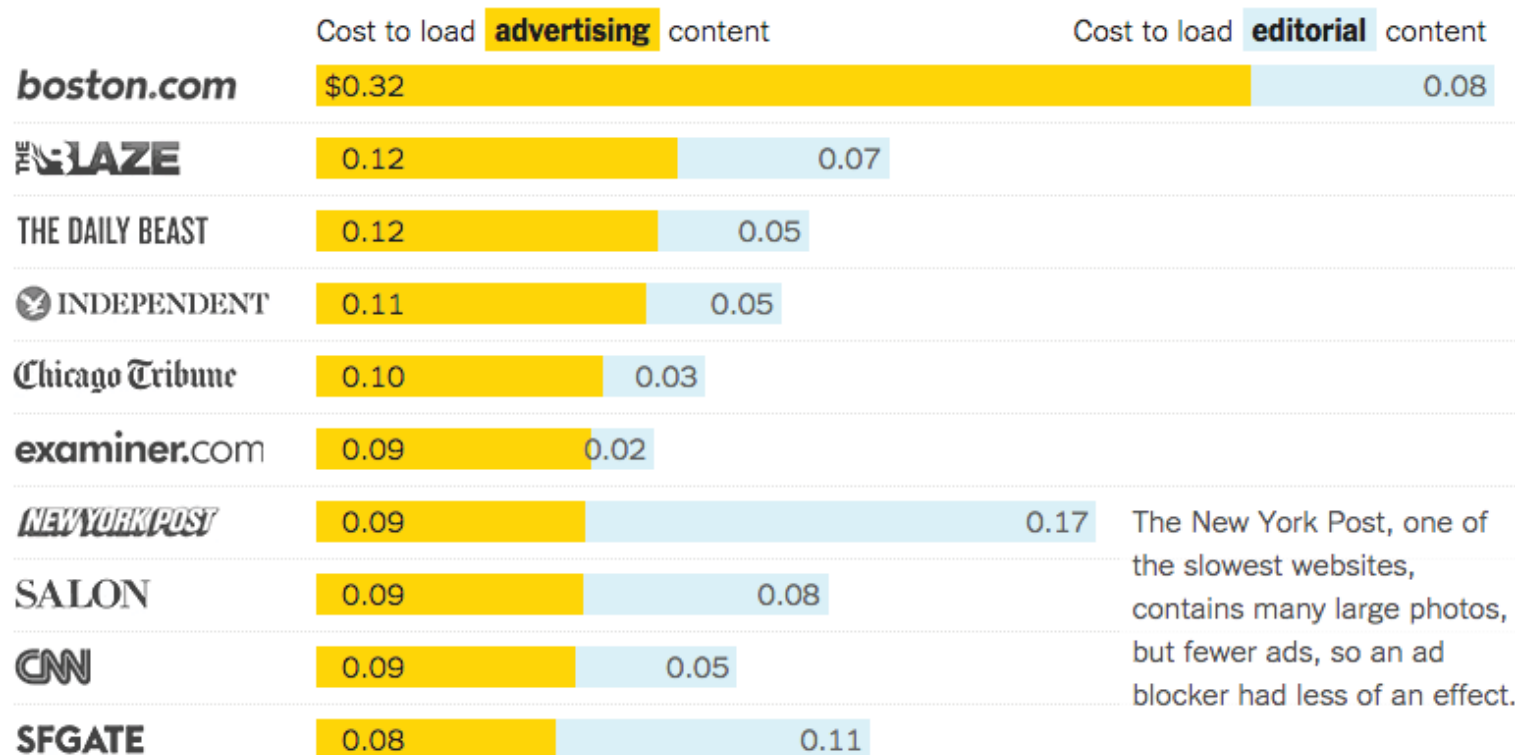# 41% of consumers are concerned about how their **security** is impacted by Ad Tracking

Ad Blocking: The Real Issue

The fast, scalable systems of targeting users with ever-heftier advertisements have slowed down the public internet and drained more than a few batteries. We were so clever and so good at it that we over-engineered the capabilities of the plumbing laid down by, well, ourselves. This steamrolled the users, depleted their devices, and tried their patience.

— *Scott Cunningham*
SVP, Interactive Advertising Bureau

Ad Blocking: Consumers Frustrated With Slow Speeds & Paying For The Ads With Their Data Plans and Batteries

	Cost to load **advertising** content	Cost to load **editorial** content
boston.com	$0.32	0.08
THE BLAZE	0.12	0.07
THE DAILY BEAST	0.12	0.05
INDEPENDENT	0.11	0.05
Chicago Tribune	0.10	0.03
examiner.com	0.09	0.02
NEW YORK POST	0.09	0.17
SALON	0.09	0.08
CNN	0.09	0.05
SFGATE	0.08	0.11

The New York Post, one of the slowest websites, contains many large photos, but fewer ads, so an ad blocker had less of an effect.

Source: The New York Times

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FCC Proposed Rulemaking – Our View

- An Opt-In solution is not the best way to provide informed consent and level the playing field in a competitive online advertising marketplace
- Strict "on/off" switches, like Do Not Track, do not work well for consumers
- A strict "opt-in" approach could create unintended consequences
- Sets the stage for mixing consumer experience issues with long-simmering issues between Carriers and Advertising Technology (e.g. DigiCel, Three) despite Net Neutrality limitations
- Providing informed consent and powerful controls *is* possible at the ISP level
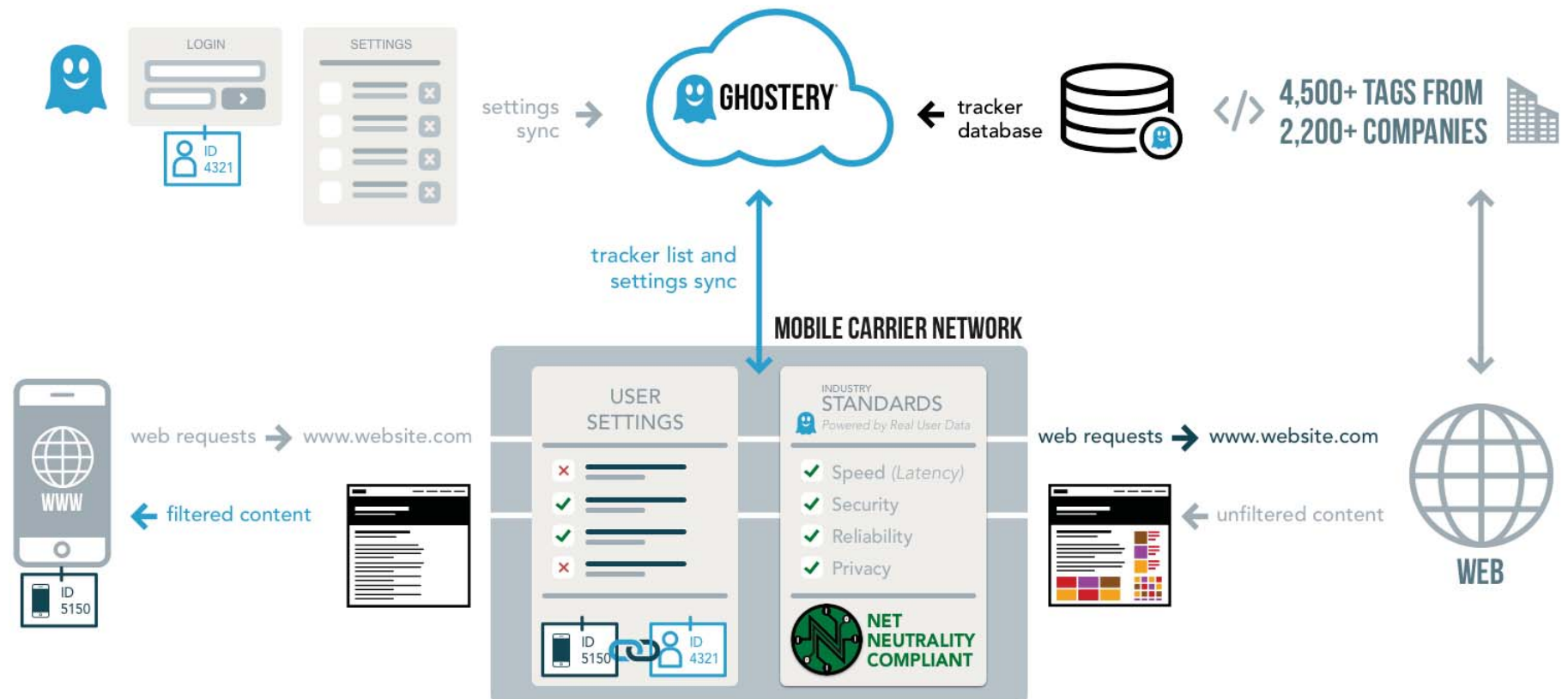
App Notice: Layered Transparency At The Network Level
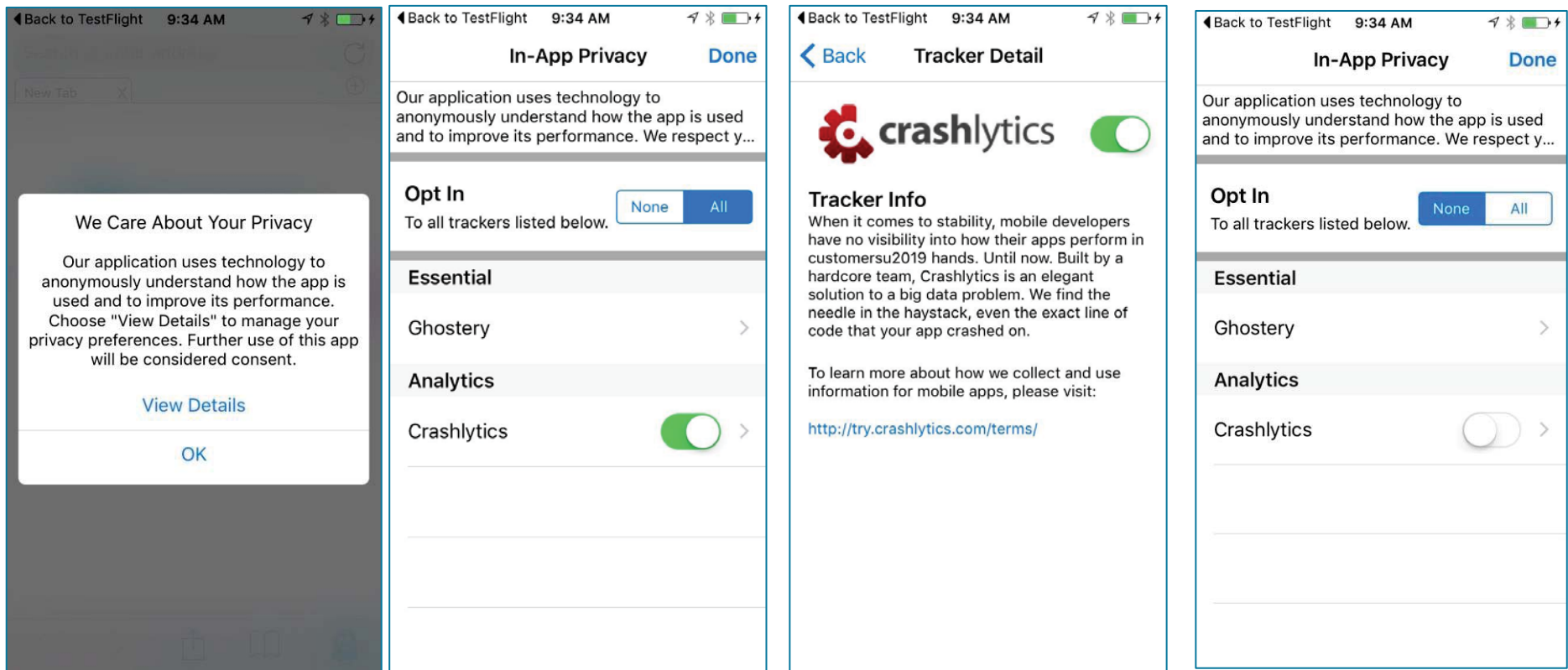
THANK YOU

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